

fraternal life insurance contracts, just like it applied up to now on people who did not have fraternal contracts.

SPEAKER NICHOL: Very good. Thank you. Senator Higgins.

SENATOR HIGGINS: Thank you, Mr. Chairman. I would like to ask Senator Landis since I am green on life insurance, I want to know that I understand this because I am not so sure I do. If my husband and I are contemplating bankruptcy and if either of us would qualify for \$50,000 life insurance, you are saying we could turn around and take what assets we have and buy a \$50,000 life insurance policy...go ahead and interrupt me.

SENATOR LANDIS: Okay, you could up until four years ago at which time this body said, no. You can take \$5,000 of loan value with you through bankruptcy, but beyond that, whatever else is there of value is subject to a creditor.

SENATOR HIGGINS: Why did they exempt 5,000?

SENATOR LANDIS: There are throughout the bankruptcy provisions different kinds of exemptions, property you may keep, so that you don't reduce somebody to a pauper's status unable to secure the amenities for the family, you know, to reduce them to absolute abject poverty. So it is not without some notion that you take out the unjust enrichment but you leave some amount of value in return for what was there.

SENATOR HIGGINS: Okay, thank you, Senator.

SPEAKER NICHOL: Senator Beutler, did you wish to close on your amendment?

SENATOR BEUTLER: I don't wish to close, Mr. Speaker, other than to remind the body in case there was any confusion by that discussion that we are not changing...this doesn't change insurance laws. All it does is make the general insurance law applicable to fraternal. I would ask the bill be returned to Select for amendment.

SPEAKER NICHOL: Okay, the question is to return the bill for a specific amendment. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.